

RATINGS SYSTEMS

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OVERVIEW OF RATINGS SYSTEMS

The Federal Financial Institutions Examination Council (FFIEC) developed and recommended to the member agencies for adoption a uniform interagency consumer compliance rating system. This rating system was adopted by the FDIC which, in addition, has devised a three dimensional component rating system designed to assist examiners in arriving at a more meaningful analysis of a financial institution's compliance posture prior to the assignment of the composite consumer compliance rating under the uniform FFIEC system. The purpose of the rating system is to reflect in a comprehensive and uniform fashion the nature and extent of an institution's compliance with consumer protection and civil rights laws and regulations.

Also, the rating system does not consider a financial institution's record of lending performance under the Community Reinvestment Act (CRA) or its compliance with the applicable provisions of the implementing regulation. Financial institutions are rated separately for CRA purposes, utilizing a unique rating system also developed and recommended by the FFIEC. This rating system was likewise adopted by the FDIC.

**OVERVIEW OF
RATINGS
SYSTEMS**

It is the FDIC's view that disclosure of the composite consumer compliance and CRA rating to financial institution management is appropriate. Beginning with examinations conducted on and after July 1, 1990, CRA Performance Evaluations and ratings are publicly available. Therefore, the examiner should disclose and discuss in the Examiner's Comments and Conclusions (page one) the recommended composite consumer compliance and CRA ratings.

Ordinarily, the comments on the page one after the discussion of the assigned ratings must be sufficient to support the particular ratings assigned. However, with respect to an institution rated "3", "4" or "5" for consumer compliance, or "Needs to Improve" or "Substantial Noncompliance" for CRA, comments should appropriately elaborate on the particular deficiencies noted in the institution's compliance or CRA posture and program to further support the ratings assigned.

It should be noted that only the composite consumer compliance and CRA ratings are to be disclosed and not the individual component ratings. The examiner should disclose both the recommended composite consumer compliance and CRA rating to institution management at the time of the examination along with a comment that the Regional Office must concur in these ratings and may, in some instances, change them before the examination report is sent to the institution.

**CONSUMER
COMPLIANCE
RATING
SYSTEM****Overview**

The primary purpose of the rating system is to help identify those institutions whose compliance with consumer protection and civil rights laws and regulations display weaknesses requiring special supervisory attention and which are cause for more than a normal degree of supervisory concern.

To accomplish this objective, the rating system identifies an initial category of institutions that have compliance deficiencies that warrant more than normal supervisory concern. These institutions are not deemed to present a significant risk of financial or other harm to consumers but do require a higher than normal level of supervisory attention. Institutions in this category are generally rated composite "3".

The rating system also identifies certain institutions whose weaknesses are so severe as to represent, in essence, a substantial or general disregard for the law. These institutions are, depending upon the nature and degree of their weaknesses, rated a composite "4" or "5".

**CONSUMER
COMPLIANCE
RATING
SYSTEM
(cont'd)**

General

In assigning the composite rating, all relevant factors must be evaluated and weighed. In general, these factors include:

Nature and extent of present compliance with consumer protection and civil rights laws and regulations

Commitment of management to compliance and its ability and willingness to take the necessary steps to assure compliance

Adequacy of operating systems, including internal procedures, controls, and audit activities designed to ensure compliance on a routine and consistent basis.

The assignment of the composite compliance rating may incorporate other factors that impact significantly on the overall effectiveness of an institution's compliance efforts.

**Component
Ratings**

The FDIC has devised a three component rating scheme to assist examiners in arriving at a more meaningful analysis of the institution's compliance posture prior to assigning the composite consumer compliance rating. The specific components are "MVP":

- M – Management
- V – Violations
- P – Program

All ratings are assigned on a scale of 1 through 5 in ascending order of supervisory concern. Thus, "1" represents the highest rating and consequently the lowest level of supervisory concern; while "5" represents the lowest, most critically deficient level of performance, and therefore the highest degree of supervisory concern. Each institution is accorded a composite consumer compliance rating which reflects the overall performance of the institution on the basis of the three dimensions.

The MVP individual ratings are to be assigned on the basis of the following specific guidelines. These guidelines, however, do not preclude consideration of other factors which, in the judgment of the examiner, are deemed relevant to accurately portray the rating of the individual dimension.

**CONSUMER
COMPLIANCE
RATING
SYSTEM
(cont'd)****Component
Ratings (cont'd)****MANAGEMENT**One

Management displays a positive attitude toward compliance and is capably administering an effective compliance program. Changes in consumer laws and regulations are promptly addressed in the institution's policies, and violations and deficiencies receive immediate corrective action.

Two

Management is adequately overseeing the institution's compliance program. Problem areas are few in number and easily corrected. Review of prior reports indicates a willingness to effect correction of violations. If required, reimbursements are made voluntarily.

Three

Management is not devoting sufficient time to the administration of the institution's compliance program and previously identified violations remain uncorrected. Although knowledgeable of the requirements of the various laws and regulations, increased efforts are required to effectuate compliance.

Four

Management has not exerted sufficient effort to ensure compliance with the various laws and regulations. There is a lack of interest or capability in administering a compliance program which has resulted in numerous repeat violations.

Five

Management has demonstrated an unwillingness or inability to operate within the scope of consumer laws and regulations. Serious problems remain uncorrected and management's attitude towards compliance is poor.

VIOLATIONSOne

Violations, if any, are technical and easily corrected. There is no evidence of discriminatory acts or practices and there are no repeat violations.

Two

Any violations noted involve technical aspects of the law, or result from oversight or clerical error on the part of operating personnel. There is no evidence of discriminatory acts or practices and no reimbursable violations. Any repeat violations are few in number and technical in nature.

Three

Reimbursements, if present, involve several customers and are minimal in amount. There is no evidence of discrimination; however, violations may be numerous. Patterns of repeat violations may exist.

**CONSUMER
COMPLIANCE
RATING
SYSTEM
(cont'd)****Component
Ratings (cont'd)**Four

Numerous violations are present and reimbursements, if any, affect a significant number of customers and are substantial in amount. Discriminatory acts or practices may be in evidence. Practices resulting in violations cited at previous examinations remain uncorrected.

Five

The institution is in substantial noncompliance with most consumer laws and regulations. Discrimination, numerous reimbursements, and/or practices resulting in repeat violations are present.

PROGRAMOne

An effective compliance program, including a system of internal procedures and controls, has been established. Recordkeeping systems and employee training arrangements are good. Changes in laws and regulations are promptly reflected in the institution's compliance program and procedures for handling consumer complaints are in place.

Two

Although a system of internal controls and operating procedures has been established to ensure compliance, violations have nonetheless occurred. Modifications in the institution's compliance program and/or establishment of additional review/audit procedures may be warranted. Personnel appear knowledgeable of compliance matters and training is satisfactory.

Three

Operating controls and procedures have not proven effective and require strengthening. Training is inconsistent and knowledge of regulations is weak in some areas. Management is not sufficiently involved in the compliance program to effect favorable changes.

Four

The compliance program is not effective and internal procedures and controls are seriously deficient. Personnel lack knowledge in several critical areas and there is no formal training. Management is not actively involved in administering the very rudimentary compliance program in place.

Five

There is no compliance program, written or oral. Knowledge of the laws and regulations is extremely limited and problem areas remain uncorrected.

NOTE: For convenient reference, a chart depicting the characteristics of each rating dimension is provided on the following page.

CONSUMER COMPLIANCE RATING SYSTEM CHART					
	ONE	TWO	THREE	FOUR	FIVE
MANAGEMENT	Positive attitude Capable Immediate correction	Adequate oversight Willing correction	Capable but increased effort necessary	Apathetic Insufficient effort	Unwilling Incapable Poor attitude
VIOLATIONS Type/Volume	Technical/Few	Technical/Isolated or not numerous	Substantive/ May be numerous	Substantive/ Numerous	Substantial/ Most regulations
Repeat	None	Few and technical	One or more patterns may exist	Patterns exist	Patterns exist
Reimbursable	None	None	Several customers Minimal amounts	Significant number of customers Substantial amounts	Numerous patterns Substantial amounts
Apparent Discrimination	None	None	None	May be evident	Evident
PROGRAM	Effective	Some exceptions occur	Limited effectiveness	Seriously deficient	None

**CONSUMER
COMPLIANCE
RATING
SYSTEM
(cont'd)****Composite
Rating**

Taking into consideration the MVP ratings, and other factors as warranted, a composite consumer compliance rating will be accorded. These ratings are defined and distinguished as follows:

One

An institution in this category is in a strong compliance position.

Management is capable of and staff is sufficient for effectuating compliance. An effective compliance program, including an efficient system of internal procedures and controls, has been established. Changes in consumer statutes and regulations are promptly reflected in the institution's policies, procedures, and compliance training. The institution provides adequate training for its employees. If any violations are noted, they relate to relatively minor deficiencies in forms or practices that are easily corrected. There is no evidence of discriminatory acts or practices, reimbursable violations, or practices resulting in repeat violations. Violations are promptly corrected by management. As a result, the institution gives no cause for supervisory concern.

Two

An institution in this category is in a generally strong compliance position.

Management is capable of administering an effective compliance program. Although a system of internal operating procedures and controls has been established to ensure compliance, violations have nonetheless occurred. These violations, however, involve technical aspects of the law or result from oversight on the part of operating personnel. Modifications in the institution's compliance program and/or the establishment of additional review/audit procedures may eliminate many of the violations. Compliance training is satisfactory. There is no evidence of discriminatory acts or practices, reimbursable violations, or practices resulting in well-defined patterns of repeat violations.

Three

Generally, an institution in this category is in a less than satisfactory compliance position.

Institutions in this category are a cause for supervisory concern and require more than normal supervision to remedy deficiencies. Violations may be numerous. In addition, previously identified practices resulting in violations may remain uncorrected. Overcharges, if present, involve a few consumers and are minimal in amount. There is no evidence of discriminatory acts or practices. Although management may have the ability to effectuate compliance, increased efforts are necessary. The numerous violations discovered are an indication that management has not devoted sufficient time and attention to consumer compliance. Operating procedures and controls have not proven effective and require strengthening. This may be accomplished by, among other things, designating a compliance officer and developing and implementing a comprehensive and effective compliance program. By identifying an institution with marginal compliance early, additional

**CONSUMER
COMPLIANCE
RATING
SYSTEM
(cont'd)**

supervisory measures may be employed to eliminate violations and prevent further deterioration in the institution's less than satisfactory compliance.

Four

An institution in this category requires close supervisory attention and monitoring to promptly correct the serious compliance problems disclosed.

**Composite
Rating (cont'd)**

Numerous violations are present. Overcharges, if any, affect a significant number of consumers and involve a substantial amount of money. Often practices resulting in violations cited at previous examinations remain uncorrected. Discriminatory acts or practices may be in evidence. Clearly, management has not exerted sufficient efforts to ensure compliance. Its attitude may indicate a lack of interest in administering an effective compliance program which may have contributed to the seriousness of the institution's compliance problem. Internal procedures and controls have not proven effective and are seriously deficient. Prompt action on the part of the supervisory agency may enable the institution to correct its deficiencies and improve its compliance position.

Five

An institution in this category is in need of the strongest supervisory attention and monitoring.

It is substantially in noncompliance with the consumer laws and regulations. Management has demonstrated its unwillingness or inability to operate within the scope of consumer laws and regulations. Previous efforts on the part of the regulatory authority to obtain voluntary compliance have been unproductive. Discrimination, substantial overcharges, and/or practices resulting in serious repeat violations are present.

CRA RATINGS**Overview**

In assigning a rating, the FDIC evaluates a bank's performance under the applicable performance criteria in the regulation, in accordance with Section 345.21 and Section 345.28, which provides for adjustments on the basis of evidence of discriminatory or other illegal credit practices.

A bank's performance need not fit each aspect of a particular rating profile in order to receive that rating, and exceptionally strong performance with respect to some aspects may compensate for weak performance in others. The bank's overall performance, however, must be consistent with safe and sound banking practices and generally with the appropriate profile as follows.

General

The revised CRA Regulation is in effect for all small banks and all large banks that opt for early evaluation under the revised CRA Regulation. The following ratings definitions are to be used as interim definitions until the FFIEC Consumer Compliance Task Force agrees on final rating definitions that correspond to the performance criteria of the new CRA Regulation.

"Outstanding." An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

"Satisfactory." An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

"Needs to Improve." An institution in this group needs to improve its overall record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

"Substantial Noncompliance." An institution in this group has a substantially deficient record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

**CRA RATINGS
(cont'd)****Banks Evaluated
under the
Lending,
Investment, and
Service Tests**

Lending Performance Rating. The FDIC assigns each bank's lending performance one of the five following ratings:

Outstanding. The FDIC rates a bank's lending performance "outstanding" if, in general, it demonstrates:

- Excellent responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s);
- A substantial majority of its loans are made in its assessment area(s);
- An excellent geographic distribution of loans in its assessment area(s);
- An excellent distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- An excellent record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- Extensive use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
- It is a leader in making community development loans.

High satisfactory. The FDIC rates a bank's lending performance "high satisfactory" if, in general, it demonstrates:

- Good responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans (as applicable) in its assessment area(s);

**CRA RATINGS
(cont'd)****Banks Evaluated
under the
Lending,
Investment, and
Service Tests
(cont'd)**

- A high percentage of its loans are made in its assessment area(s);
- A good geographic distribution of loans in its assessment area(s);
- A good distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- A good record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- Use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
- It has made a relatively high level of community development loans.

Low satisfactory. The FDIC rates a bank's lending performance "low satisfactory" if, in general, it demonstrates:

- Adequate responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s);
- An adequate percentage of its loans are made in its assessment area(s);
- An adequate geographic distribution of loans in its assessment area(s);
- An adequate distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- An adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
- It has made an adequate level of community development loans.

Needs to improve. The FDIC rates a bank's lending performance "needs to improve" if, in general, it demonstrates:

CRA RATINGS (cont'd)

Banks Evaluated under the Lending, Investment, and Service Tests (cont'd)

- Poor responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans (as applicable) in its assessment area(s);
- A small percentage of its loans are made in its assessment area(s);
- A poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area(s);
- A poor distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- A poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- Little use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies; and
- It has made a limited number of community development loans.

Substantial noncompliance. The FDIC rates a bank's lending performance as being in "substantial noncompliance" if, in general, it demonstrates:

- A very poor responsiveness to credit needs in its assessment area(s), taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in its assessment area(s);
- A very small percentage of its loans are made in its assessment area(s);
- A very poor geographic distribution of loans, particularly to low- or moderate-income geographies, in its assessment area(s);
- A very poor distribution, particularly in its assessment area(s), of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank;
- A very poor record of serving the credit needs of highly economically disadvantaged areas in its assessment area(s), low-income individuals, or businesses (including farms) with gross annual revenues of \$1 million or less, consistent with safe and sound operations;
- No use of innovative or flexible lending practices in a safe and sound

**CRA RATINGS
(cont'd)**

manner to address the credit needs of low- or moderate-income individuals or geographies; and

**Banks Evaluated
under the
Lending,
Investment, and
Service Tests
(cont'd)**

- It has made few, if any, community development loans.

Investment Performance Rating. The FDIC assigns each bank's investment performance one of the five following ratings.

Outstanding. The FDIC rates a bank's investment performance "outstanding" if, in general, it demonstrates:

- An excellent level of qualified investments, particularly those that are not routinely provided by private investors, often in a leadership position;
- Extensive use of innovative or complex qualified investments; and
- Excellent responsiveness to credit and community development needs.

High satisfactory. The FDIC rates a bank's investment performance "high satisfactory" if, in general, it demonstrates:

- A significant level of qualified investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position;
- Significant use of innovative or complex qualified investments; and
- Good responsiveness to credit and community development needs.

Low satisfactory. The FDIC rates a bank's investment performance "low satisfactory" if, in general, it demonstrates:

- An adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position;
- Occasional use of innovative or complex qualified investments; and
- Adequate responsiveness to credit and community development needs.

CRA RATINGS (cont'd)

Banks Evaluated under the Lending, Investment, and Service Tests (cont'd)

Needs to improve. The FDIC rates a bank's investment performance "needs to improve" if, in general, it demonstrates:

- A poor level of qualified investments, particularly those that are not routinely provided by private investors;
- Rare use of innovative or complex qualified investments; and
- Poor responsiveness to credit and community development needs.

Substantial noncompliance. The FDIC rates a bank's investment performance as being in "substantial noncompliance" if, in general, it demonstrates:

- Few, if any, qualified investments, particularly those that are not routinely provided by private investors;
- No use of innovative or complex qualified investments; and
- Very poor responsiveness to credit and community development needs.

Service Performance Rating. The FDIC assigns each bank's service performance one of the five following ratings:

Outstanding. The FDIC rates a bank's service performance "outstanding" if, in general, the bank demonstrates:

- Its service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area(s);
- To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
- Its services (including, where appropriate, business hours) are tailored to the convenience and needs of its assessment area(s), particularly low- or moderate-income geographies or low- or moderate-income individuals; and
- It is a leader in providing community development services.

High satisfactory. The FDIC rates a bank's service performance "high satisfactory" if, in general, the bank demonstrates:

- Its service delivery systems are accessible to geographies and individuals of different income levels in its assessment area(s);

**CRA RATINGS
(cont'd)****Banks Evaluated
under the
Lending,
Investment, and
Service Tests
(cont'd)**

-- To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;

-- Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area(s), particularly low- and moderate-income geographies and low- and moderate-income individuals; and

-- It provides a relatively high level of community development services.

Low satisfactory. The FDIC rates a bank's service performance "low satisfactory" if, in general, the bank demonstrates:

-- Its service delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area(s);

-- To the extent changes have been made, its record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;

-- Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area(s), particularly low- and moderate-income geographies and low- and moderate-income individuals; and

-- It provides an adequate level of community development services.

Needs to improve. The FDIC rates a bank's service performance "needs to improve" if, in general, the bank demonstrates:

-- Its service delivery systems are unreasonably inaccessible to portions of its assessment area(s), particularly to low- or moderate-income geographies or to low- or moderate-income individuals;

-- To the extent changes have been made, its record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;

-- Its services (including, where appropriate, business hours) vary in a way that inconveniences its assessment area(s), particularly low- or moderate-income geographies or low- or moderate-income individuals; and

-- It provides a limited level of community development services.

CRA RATINGS (cont'd)

Banks Evaluated under the Lending, Investment, and Service Tests (cont'd)

Substantial noncompliance. The FDIC rates a bank's service performance as being in "substantial noncompliance" if, in general, the bank demonstrates:

- Its service delivery systems are unreasonably inaccessible to significant portions of its assessment area(s), particularly to low- or moderate-income geographies or to low- or moderate-income individuals;
- To the extent changes have been made, its record of opening and closing branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals;
- Its services (including, where appropriate, business hours) vary in a way that significantly inconveniences its assessment area(s), particularly low- or moderate-income geographies or low- or moderate-income individuals; and
- It provides few, if any, community development services.

Wholesale or Limited-Purpose Banks

The FDIC assigns each wholesale or limited-purpose bank's community development performance one of the four following ratings:

Outstanding. The FDIC rates a wholesale or limited-purpose bank's community development performance "outstanding" if, in general, it demonstrates:

- A high level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
- Extensive use of innovative or complex qualified investments, community development loans, or community development services; and
- Excellent responsiveness to credit and community development needs in its assessment area(s).

Satisfactory. The FDIC rates a wholesale or limited-purpose bank's community development performance "satisfactory" if, in general, it demonstrates:

- An adequate level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
- Occasional use of innovative or complex qualified investments, community

CRA RATINGS (cont'd)

Wholesale or Limited-Purpose Banks (cont'd)

development loans, or community development services; and

- Adequate responsiveness to credit and community development needs in its assessment area(s).

Needs to improve. The FDIC rates a wholesale or limited-purpose bank's community development performance as "needs to improve" if, in general, it demonstrates:

- A poor level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
- Rare use of innovative or complex qualified investments, community development loans, or community development services; and
- Poor responsiveness to credit and community development needs in its assessment area(s).

Substantial noncompliance. The FDIC rates a wholesale or limited-purpose bank's community development performance in "substantial noncompliance" if, in general, it demonstrates:

- Few, if any, community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors;
- No use of innovative or complex qualified investments, community development loans, or community development services; and
- Very poor responsiveness to credit and community development needs in its assessment area(s).

Banks Evaluated under the Small Bank Performance Standards

The FDIC rates the performance of each bank evaluated under the small bank performance standards as follows:

Eligibility for a **satisfactory** rating. The FDIC rates a bank's performance "satisfactory" if, in general, the bank demonstrates:

- A reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area(s), and taking into account, as appropriate, lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments;

CRA RATINGS (cont'd)

Banks Evaluated under the Small Bank Performance Standards (cont'd)

- A majority of its loans and, as appropriate, other lending-related activities are in its assessment area(s);
- A distribution of loans to and, as appropriate, other lending related-activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area(s);
- A record of taking appropriate action, as warranted, in response to written complaints, if any, about the bank's performance in helping to meet the credit needs of its assessment area(s); and
- A reasonable geographic distribution of loans given the bank's assessment area(s).

Eligibility for an **outstanding** rating. A bank that meets each of the standards for a "satisfactory" rating under this paragraph and exceeds some or all of those standards may warrant consideration for an overall rating of "outstanding." In assessing whether a bank's performance is "outstanding," the FDIC considers the extent to which the bank exceeds each of the performance standards for a "satisfactory" rating and its performance in making qualified investments and its performance in providing branches and other services and delivery systems that enhance credit availability in its assessment area(s).

Needs to improve or substantial noncompliance ratings. A bank also may receive a rating of "needs to improve" or "substantial noncompliance" depending on the degree to which its performance has failed to meet the standards for a "satisfactory" rating.

Strategic Plan Assessments

The FDIC assesses the performance of a bank operating under an approved plan to determine if the bank has met its plan goals:

Satisfactory. If the bank substantially achieves its plan goals for a satisfactory rating, the FDIC will rate the bank's performance as "satisfactory".

Outstanding. If the bank exceeds its plan goals for a satisfactory rating and substantially achieves its plan goals for an outstanding rating, the FDIC will rate the bank's performance under the plan as "outstanding".

**CRA RATINGS
(cont'd)****Strategic Plan
Assessments
(cont'd)**

If the bank fails to meet substantially its plan goals for a satisfactory rating, the FDIC will rate the bank as either "needs to improve" or "substantial noncompliance", depending on the extent to which it falls short of its plan goals, unless the bank elected in its plan to be rated otherwise, as provided in Section 345.27(e)(4).

LENDING TEST MATRIX

CHARACTERISTIC	OUTSTANDING	HIGH SATISFACTORY	LOW SATISFACTORY	NEEDS TO IMPROVE	SUBSTANTIAL NON-COMPLIANCE
Lending Activity	Lending levels reflect excellent responsiveness to assessment area credit needs.	Lending levels reflect good responsiveness to assessment area credit needs.	Lending levels reflect adequate responsiveness to assessment area credit needs.	Lending levels reflect poor responsiveness to assessment area credit needs.	Lending levels reflect very poor responsiveness to assessment area credit needs.
Assessment area(s) concentration.	A substantial majority of loans are made in the institution's assessment area(s).	A high percentage of loans are made in the institutions' assessments area(s).	An adequate percentage of loans are made in the institution's assessment area(s).	A small percentage of loans are made in the institution's assessments area(s).	A very small percentage of loans are made in the institutions assessment area(s).
Geographic distributions of loans.	The geographic distribution of loans reflects excellent penetration throughout the assessment area(s).	The geographic distribution of loans reflects good penetration throughout the assessment area(s).	The geographic distribution of loans reflects adequate penetration throughout the assessment area(s).	The geographic distribution of loans reflects poor penetration throughout the assessment area(s), particularly to low- or moderate-income geographies in the assessment area(s).	The geographic distribution of loans reflects very poor penetration throughout the assessment area(s), particularly to low- or moderate-income geographies in the assessment area(s).
Borrowers' profile	The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different size.	The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size.	The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different size.	The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different size.	The distribution of borrowers reflects, given the product lines offered by the institution, very poor penetration among retail customers of different income levels and business customers of different size.

LENDING TEST MATRIX

Responsiveness to credit needs of highly economically disadvantaged geographies and low-income persons, small business	The institution exhibits an excellent record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits an good record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits adequate record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits an poor record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.	The institution exhibits a very poor record of serving the credit needs of the most economically disadvantaged area of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
Community development lending activities	The institution is a leader in making community development loans.	The institution has made a relatively high level of community development loans.	The institution has made an adequate level of community development loans.	The institution has made a low level of community development loans.	The institution has made few, if any, community development loans.
Product Innovation	The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.	The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs.	The institution makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.	The institution makes little use of innovative and/or flexible lending practices in order to serve assessment area credit needs.	The institution makes no use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

SERVICE TEST MATRIX

CHARACTERISTIC	OUTSTANDING	HIGH SATISFACTORY	LOW SATISFACTORY	NEEDS TO IMPROVE	SUBSTANTIAL NON-COMPLIANCE
Accessibility of Delivery systems	Delivery systems are readily accessible to all portions of the institution's assessment area(s).	Delivery systems are accessible to essentially all portions of the institution's assessment area(s).	Delivery systems are reasonably accessible to essentially all portions of the institutions assessment area(s).	Delivery systems are accessible to limited portions of the institution's assessment area(s).	Delivery systems are inaccessible to significant portions of the assessment area(s), particularly low- and moderate-income geographies and/or low- and moderate-income individuals.
Changes in Branch Locations	To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low-and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.	To the extent changes have been made, the institution's opening and closing of branches has significantly adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
Reasonableness of business hours and services in meeting assessment area(s) needs	Services (including where appropriate, business hours) are tailored to the convenience and needs of the assessment area(s), particularly low- and moderate- income geographies and/or individuals.	Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.	Services (including, where appropriate, business hours) vary in a way that significantly inconveniences many portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.
Community development services	The institution is a leader in providing community development services.	The institution provides a relatively high level of community development services.	The institution provides an adequate level of community development services.	The institution provides a limited level of community development services.	The institution provides few, if any, community development services.

INVESTMENT TEST MATRIX

CHARACTERISTIC	OUTSTANDING	HIGH SATISFACTORY	LOW SATISFACTORY	NEEDS TO IMPROVE	SUBSTANTIAL NON-COMPLIANCE
Investment and Grant Activity	The institution has an excellent level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.	The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a poor level of qualified community development investments and grants, but not in a leadership position, particularly those that are not routinely provided by private investors.	The institution has a few, if any, qualified community development investments or grants, particularly those that are not routinely provided by private investors.
Responsiveness to Credit and Community Development Needs	The institution exhibits excellent responsiveness to credit and community economic development needs.	The institution exhibits good responsiveness to credit and community economic development needs.	The institution exhibits adequate responsiveness to credit and community economic development needs.	The institution exhibits poor responsiveness to credit and community economic development needs.	The institution exhibits very poor responsiveness to credit and community economic development needs.
Community Development Initiatives	The institution makes extensive use of innovative and/or complex investments to support community development initiatives.	The institution makes significant use of innovative and/or complex investments to support community development initiatives.	The institution occasionally uses innovative and/or complex investments to support community development initiatives.	The institution rarely uses innovative and/or complex investments to support community development initiatives.	The institution does not use innovative and/or complex investments to support community development initiatives.

CRA RATINGS MATRIX – SMALL INSTITUTIONS

CHARACTERISTIC	OUTSTANDING	SATISFACTORY	NEEDS TO IMPROVE	SUBSTANTIAL NONCOMPLIANCE
Loan-to-deposit ratio	The loan-to-deposit ratio is more than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is less than reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.	The loan-to-deposit ratio is unreasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.
Assessment area(s) concentration	A substantial majority of loans and other lending related activities are in the institution's assessment area(s).	A majority of loans and other lending related activities are in the institution's assessment area(s).	A majority of loans and other lending related activities are outside the institution's assessment area(s).	A substantial majority of loans and other lending related activities are outside the institution's assessment area(s).
Geographic distribution of loans	The geographic distribution of loans reflects excellent dispersion throughout the assessment area(s).	The geographic distribution of loans reflects reasonable dispersion throughout the assessment area(s).	The geographic distribution of loans reflects poor dispersion throughout the assessment area(s).	The geographic distribution of loans reflects very poor dispersion throughout the assessment area(s).
Borrower's profile	The distribution of borrowers reflects, given the demographics of the assessment area(s), excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of borrowers reflects, given the demographics of the assessment area(s), reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of borrowers reflects, given the demographics of the assessment area(s), poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.	The distribution of borrowers reflects, given the demographics of the assessment area(s), very poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
Response to substantiated complaints	The institution has taken noteworthy, creative action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The institution has taken appropriate action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The institution has taken inadequate action in response to substantiated complaints about its performance in meeting assessment area credit needs.	The institution is unresponsive to substantiated complaints about its performance in meeting assessment area credit needs.
Investments	The institution's investment record enhances credit availability in its assessment area.	N/A	N/A	N/A
Services	The institution's record of providing branches, ATMs, loan production offices, and/or other services and delivery systems enhances credit availability in its assessment area(s).	N/A	N/A	N/A

**CRA RATINGS
(cont'd)****Revised Uniform
Interagency CRA
Rating System**

NOTE: The following Revised Uniform Interagency Community Reinvestment Act Assessment Rating System should be used until July 1, 1997 for large financial institutions that do not "opt-in" early for coverage under the revised Community Reinvestment Act (CRA) regulation. During the transition period to the revised regulation, examiners should be mindful that institutions still must be evaluated on all 12 assessment factors. However, an institution's rating should not be adversely affected by its performance on the "process" oriented assessment factors if the institution is satisfactorily performing under the "performance" oriented assessment factors.

Introduction

The revised CRA Rating System provides a comprehensive and uniform method used by the agencies for evaluating the Community Reinvestment Act (CRA) performance of federally regulated financial depository institutions. It ranks the overall performance of financial institutions in helping to meet community credit needs, including those of low- and moderate-income neighborhoods, using a four-tiered descriptive rating system, as mandated by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This rating system is to be used in connection with examinations commencing on and after July 1, 1990.

According to Section 807 of the CRA, these ratings are:

- Outstanding record of meeting community credit needs
- Satisfactory record of meeting community credit needs
- Needs to improve record of meeting community credit needs
- Substantial noncompliance in meeting community credit needs

The overall assessment of an institution is based on its performance in helping to meet various community credit needs. The assessment process uses five "performance categories" which represent a grouping of the twelve assessment factors contained in the regulations which implement the CRA.

The assessment of an institution's record in helping to meet community credit needs takes into account a number of unique and complex factors. Among these factors are:

- Financial capacity
- Type of operation and size of an institution
- Legal impediments
- Local and regional economic conditions and demographics
- The competitive environment in which an institution operates

**RATINGS
DESCRIPTIONS
(cont'd)****Revised Uniform
Interagency CRA
Rating System
(cont'd)**

All of these factors have a significant bearing on how an institution fulfills its obligation to help meet the credit needs of its local community. The overall performance of an institution, however, is primarily related to its efforts and success in helping to meet the credit needs of its local community. A comparison of an institution's performance with that of its peers **is not** a part of the assessment process.

Because of the various factors considered in the assessment of an institution's record of CRA performance, the rating system guidelines are generally descriptive. Moreover, the rating system recognizes that all attributes do not apply to every institution. Examiners are expected to use their judgment in determining the rating that best describes an institution's performance under CRA. The rating system provides examiners with considerable flexibility so that the nature and composition of a given institution can be properly factored into the overall assessment.

To maintain a balanced perspective, examiners must carefully consider information provided by both the institution and the community. Assessing the CRA performance of an institution is a process that does not rely on absolute standards. Consequently, the rating system purposefully does not preassign any relative weights to individual assessment factors or performance categories. In this way, the rating system provides the flexibility necessary for examiners to weigh the factors and categories consistent with their significance in the context of a particular institution. However, compliance with antidiscrimination laws and regulations, including fair lending and fair housing laws, has great significance in reaching the overall conclusion.

The CRA rating system considers and integrates the guidance provided in the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act (Joint Statement). *Refer* to 54 Fed. Reg. 13742 (April 5, 1989).

The Joint Statement identifies the various types of policies, procedures and programs the agencies believe constitute a sound approach by an institution toward fulfilling its CRA responsibilities.

Pursuant to the Joint Statement, an effective CRA process should include methods to ascertain community credit needs on an ongoing basis through outreach efforts and methods to incorporate those findings into the development of products and services the institution decides to offer to meet identified credit needs. The CRA plan should include marketing and advertising programs for lending products and services that inform and stimulate awareness throughout all segments of the institution's local community. The duty to coordinate and monitor the CRA process should be assigned to a senior officer or committee charged with the responsibility to report periodically to the institution's board of directors about CRA efforts, performance, and areas for improvement, where appropriate. An employee training program should be established which addresses policies and procedures of the Institution designed to comply with antidiscrimination laws and

**RATINGS
DESCRIPTIONS
(cont'd)****Revised Uniform
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(cont'd)**

regulations and help meet community credit needs.

As part of the management of the CRA process, the agencies also expect institutions to maintain reasonable documentation of the activities conducted to implement the institution's CRA policies, procedures and programs. Finally, the agencies believe it would be especially useful for an institution to expand its CRA statement to include a description of the activities the institution has undertaken to meet its responsibilities under CRA. This expansion would enhance the prospects for an informed dialogue about CRA-related issues between the institution and members of the public.

The following CRA rating profiles have been developed to assist the agencies in providing meaningful written evaluations that best describe an institution's CRA performance. By providing a thorough description of the attributes of performance for each rating category and assessment factor, the rationale for an institution's ultimate CRA rating may be more readily understood. In applying the profiles, it is not expected that each attribute will be met. Inherent in the rating system is the fact that each institution is different in type, size, product mix, customer orientation, and geography. The rating assigned to an institution will reflect the CRA rating profile that best, but perhaps not fully, describes the institution's CRA performance. An institution that is considered outstanding, for example, will have substantially exhibited the characteristics (to the extent applicable) found in the CRA rating profile for an outstanding performance.

CRA Rating Profiles*Outstanding Record of Meeting Community Credit Needs*

An institution in this group has an outstanding record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. CRA is a demonstrated and important component of the institution's planning process and is explicitly reflected in its formal policies, procedures, and training programs. The management of the CRA process is thorough and includes comprehensive and readily available documentation of the institution's CRA-related activities. The board of directors and senior management are highly involved in planning for, implementing, and monitoring the institution's CRA-related performance. The institution has played a leadership role in promoting economic revitalization and growth and/or has engaged in other activities to help meet community credit needs. The institution is highly involved with a broad spectrum of community organizations and the public sector. The institution employs affirmative outreach efforts to determine community credit needs and addresses them through innovative product development. The institution's marketing aggressively promotes credit services including, when appropriate, special programs which are responsive to the needs of the community and, as a result, the institution has extended loans which significantly benefit the

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community. The CRA statement correctly lists all of the institution's credit products available throughout its local community. The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods. The geographic distribution of the institution's credit extensions, applications, and denials reflect a reasonable penetration of all segments of its local community. Internal monitoring procedures are well documented. The institution is in substantial compliance with all provisions of the antidiscrimination laws and regulations, including fair lending and fair housing laws. The institution has demonstrated the ability to monitor and assess its own performance, and it presents no supervisory concern in CRA matters.

Satisfactory Record of Meeting Community Credit Needs

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. CRA is routinely considered in the institution's planning process. The CRA program, including goals, objectives and methodology for self-assessment, is articulated and generally understood by all levels of the institution, but may not be explicitly reflected in its formal policies, procedures, and training programs. Employee training for CRA is adequate. The management of the CRA process is satisfactory and includes adequate documentation of the institution's CRA-related activities. The board of directors and senior management have regular involvement in the institution's CRA planning, implementation and monitoring process. The institution has a satisfactory level of involvement with most community organizations and the public sector. The institution determines its community credit needs and normally addresses them through appropriate loan product development. The institution has played a supportive role in promoting and participating in economic revitalization and growth and/or has demonstrated a willingness to explore other activities which help to meet community credit needs. The institution has marketed credit services which address Identified community credit needs and has extended loans which benefit its local community. The CRA statement correctly lists the majority of the institution's credit products available throughout its local community. The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods. The geographic distribution of the institution's credit extensions, applications, and denials demonstrates a reasonable penetration of all segments of its local community. The institution is in compliance with the substantive provisions of antidiscrimination laws and regulations, including fair lending and fair housing laws. The institution does not present a supervisory concern in CRA matters. It may, however, benefit from additional encouragement to ascertain and help meet community credit needs, initiate community contacts, or pursue special programs on an ongoing and more aggressive basis.

Needs To Improve Record of Meeting Community Credit Needs

An institution in this group needs to improve its overall record of ascertaining and

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(cont'd)**

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helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The institution's program for meeting responsibilities under CRA is inadequate; specific, identifiable weaknesses are apparent. The board of directors and senior management provide only limited support to the CRA training of personnel. The institution does not adequately document or monitor its CRA-related activities. The board of directors and senior management have limited involvement in the institution's CRA planning, implementation and monitoring process, if such process exists. The institution engages in limited affirmative outreach to the community, passively determines credit needs and addresses them primarily with existing standard loan products. The institution has limited, if any, involvement with local community organizations and the public sector. The institution has played only a limited role in developing projects to foster economic revitalization and growth, but management may express a willingness to consider participation in other activities which help meet community credit needs if they are presented to the institution. The institution has limited marketing of credit services responsive to community credit needs, and advertisements are not generally reflective of identified community credit needs. The CRA statement may not accurately reflect certain credit products that the institution makes available throughout its local community. The institution's delineated community is unreasonable and may exclude some low- and moderate-income neighborhoods. The geographic distribution of the institution's credit extensions, applications, and denials demonstrates an unjustified, disproportionate lending pattern, adversely impacting low- and moderate-income neighborhoods within its local community. The institution is not in compliance with the substantive provisions of antidiscrimination laws and regulations, including fair lending and fair housing laws. The institution is of supervisory concern in CRA matters and requires strong encouragement to improve the level of performance.

Substantial Noncompliance In Meeting Community Credit Needs

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. CRA responsibilities are rarely, if ever, considered within the institution's planning process or its policies, procedures, or training programs. The institution does not have a viable program for meeting responsibilities under CRA. The institution does not actively monitor its CRA activities. Little or no documentation exists to demonstrate an adequate level of performance. The board of directors and senior management have little, if any, involvement in the institution's CRA planning, implementation and monitoring process. The institution has no meaningful interaction with community organizations and the public sector. The institution has not actively promoted community economic revitalization or growth, and it has shown very limited interest in pursuing other activities to address community credit needs. The Institution is not generally aware of existing credit needs and may not have appropriate loan products to address

**RATINGS
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(cont'd)**

them. The institution does not advertise credit services based upon identified community needs. The CRA statement is materially inaccurate with respect to the types of credit the institution is willing to make available throughout its local community. The institution's delineated community is unreasonable and excludes low- and moderate-income neighborhoods. The institution's restrictive credit policies contribute to unjustified, disproportionate lending patterns, adversely impacting low- and moderate-income neighborhoods within its local community. The institution is in substantial noncompliance with antidiscrimination laws and regulations, including fair lending and fair housing laws. The institution is of significant supervisory concern in CRA matters and requires the strongest supervisory encouragement to be responsive to community credit needs.

PERFORMANCE CATEGORIES SUMMARY

To evaluate an institution's CRA performance, the twelve assessment factors and criteria are grouped into the following performance categories:

Ascertainment of Community Credit Needs

Factor A: Activities to ascertain credit needs and efforts to communicate with the community

Factor C: Board of directors participation in formulating policies and reviewing institution's CRA performance

Marketing and Types of Credit Offered and Extended

Factor B: Extent of marketing and advertising programs

Factor I: Origination or purchase of loans within community

Factor J: Participation in governmentally insured, guaranteed, or subsidized programs

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Geographic Distribution and Record of Opening and Closing Offices

Reasonableness of delineated community

Factor E: Geographic distribution of credit extensions, applications, and denials

Factor G: Record of opening and closing offices and providing services

Discrimination and Other Illegal Credit Practices

Factor D: Practices to discourage applications for types of credit set forth in CRA Statement

Factor F: Evidence of prohibited discriminatory or other illegal credit practices

Community Development

Factor H: Participation, including investments, in local development and redevelopment projects and programs

Factor K: Ability to meet community credit needs consistent with institution's characteristics

Factor L: Participation in other activities not covered under other performance categories that bear on extent to which institution meets community credit needs

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
I. Ascertainment of Community Credit Needs							
(A) Activities to ascertain credit needs and efforts to communicate with the community							
Contact with individuals and groups	Ongoing, meaningful		Regular contact		Limited contact		Few, if any
Contact with government official and community leaders	Ongoing		Regular contact		Limited contact		Few, if any
Participation in public programs	Active		Some effort		Marginal effort		Nominal or none
Relationships with private nonprofit developers and financial intermediaries resulting in public-private partnerships	Established and productive		Regular contact		Lack of productive contact		Few, if any
Collection and analysis of local demographic data regarding lending activities	Regularly collected and analyzed		Periodically reviewed		Occasionally considered or analyzed		Unaware or ignorant of
Responsiveness of board of directors and senior management in addressing community credit needs through product development and lending	Proactive attitude and highly responsive		Satisfactory		Limited		Rare or never
Senior management review of lending services	Systematic and regular		Informal		Infrequent		Rare or never
Credit products structured or varied to meet identified needs; may include government-insured and publicly sponsored programs	Well-suited products, including those that make use of government-insured or publicly sponsored programs		Reasonably suited products, including those that make use of government-insured and publicly sponsored programs		May not meet needs; insignificant participation in government-insured and publicly sponsored programs		Rare or none; nominal or no participation in government-insured and publicly sponsored programs
Board of directors and senior management efforts to explore and offer conventional products with special features and more flexible lending criteria within safe and sound practices	Demonstrated willingness		May explore and offer		Limited effort		Little or no effort

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
(C) Board of directors participation in formulating policies and reviewing institution's CRA performance							
Extent of participation and review	Integral part of CRA process and activities		Generally involved		Limited involvement		Rare or no involvement
CRA program with goals, objectives, and methodology for self-assessment	Formal, written program		Articulated and generally understood, but possibly not explicitly reflected in formal program		Inadequate program		No program
Policy oversight of CRA activities	Active oversight		Oversight exercised		Some oversight		Little or no oversight
Review of CRA activities and performance	Regular review		Occasional review		Infrequent review		Rare or no review
Analysis of disposition of loan applications to check fairness and nondiscrimination compliance	Annual or more frequent analysis		At least annual analysis		Only limited analysis		Rare or no analysis
Activities designed to develop, improve, and enhance local community	Personally involved		Some involvement		Limited involvement		Little, if any, involvement
Prudent but innovative underwriting criteria to address community credit needs	Consistent support		Consideration given		May be reluctant to consider		Reluctant to consider
CRA training of personnel	Active support		Adequate support		Limited support		Little, if any, support
Expanded CRA Statement adoption	Yes; includes self-assessment and documentation of performance		Yes, but might not be fully descriptive of institution's performance		No		No
CRA technical regulatory requirements being met	Effective efforts to ensure compliance		Generally ensures		Lax		Rarely or never
II. Marketing and Types of Credit Extended							
(B) Extent of marketing and special credit-related programs							

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
Marketing and advertising programs	Sound programs, approved, reviewed, and monitored by senior management and board		Adequate, but exist outside formal oversight of senior management and board		Limited oversight by senior management and board		If exist, are inadequate
Programs inform all segments of the community of products and services offered	Yes		Designed to inform		May require revision or expansion		No
Advertisements of credit services throughout the community	Designed to stimulate awareness		Ads carried in widely circulated local media		Ads designed only to promote institution's image as provider of products and services		No
Use of special advertisement media aimed at particular segments of community	Yes		Additional targeted advertising may be needed		No		No
Maintenance of advertising and marketing records	Complete, readily available		Adequate		Limited		Insufficient
Review of advertising and marketing programs to ensure compliance with applicable laws and regulations. Do not mention in PE	Routinely reviewed		Occasionally reviewed		Infrequently reviewed		Rarely or never reviewed
Personnel involvement to assist individuals and groups applying for credit	Routinely provide assistance		Generally provide assistance		Limited effort		Little, if any, effort
(I) Origination or purchase of loans within community							
Meeting identified community credit needs through origination and purchase of loans	Affirmatively address a substantial portion of identified needs		Addresses a significant portion of needs		Marginal		Minimal
Lending levels in response to community credit needs	Exceptional responsiveness to most pressing needs		General responsiveness		Marginal responsiveness		Little, if any, responsiveness
Number of loans within delineated community	Substantial majority		Significant volume		Significant volume may be outside delineated community		Substantial majority outside delineated community
Loan volume relative to institution's resources and community's needs	Exceeds expectations		Adequate		Low		Excessively low

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
CRA Statement lists credit products available from the institution	Correctly listed		Majority correctly listed		Not accurately listed		Statement is materially inaccurate
(J) Participation in governmentally insured, guaranteed, or subsidized loan programs							
Approach to meeting identified community credit needs	Assumes leadership role		Generally takes some steps		Sometimes becomes involved		Rarely or never involved
Level of participation	Affirmatively participates		Frequently participates		Infrequently participates		Rarely or never participates
III. Geographic distribution and record of opening and closing offices							
(*) Reasonableness of delineated community * not included as one of the 12 assessment factors, but considered under this category	Meets CRA purpose and does not exclude low- and moderate-income areas		Meets CRA purpose and does not exclude low- and moderate-income areas		Delineation unreasonable and may exclude some low- and moderate-income areas; delineation guidelines need revision		Delineation unreasonable and excludes low- and moderate-income areas; delineation guidelines need substantial revision
(E) Geographic distribution of credit extensions, applications, and denials							
Geographic distribution within delineated community	Documented analysis reflects reasonable penetration of all segments of community		Reasonable penetration of all segments of community		Unjustified, disproportionate pattern within delineated community compared with outside community, or regarding distribution within community		Unreasonable lending pattern inside and outside delineated community
Procedures formulated to identify geographic distribution	Yes		N/A		N/A		N/A
Geographic data documented and used by board and senior management to establish policies, products and services, and marketing plans	Yes		May be documented and used		N/A		N/A
Awareness of board and senior management of geographic distribution	N/A		N/A		May be unaware		Disregards

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
Review by board and senior management of lending policies and practices and effect on geographic distribution	N/A		N/A		Inadequate or no review		N/A
Corrective action on previously identified unreasonable lending patterns	N/A		N/A		Inadequate or no review		Limited or no action
Loan policies and procedures impact on local community	N/A		N/A		N/A		Contain restrictions that adversely affect loan availability
(G) Record of opening and closing offices and providing services							
Accessibility of office to all segments of the community	Readily accessible		Reasonably accessible		Difficult to access		Limited access
Accommodation through business hours and services	Tailored to convenience and needs; ongoing review		Reviewed periodically to assure accommodation		May be inconvenient and infrequently reviewed		Inconsistent and rarely if ever reviewed
Assessment of potential adverse impact of office closings	Detailed assessment prior to closing, including consultation with community members		Adequate, including contacts with community members		Inadequate; needs revision or expansion		Rare or none
Record of opening and closing offices as it affects local community, particularly low- and moderate-income areas	No adverse impact		Level of service available in low- and moderate-income areas not adversely affected		Adverse impact; may be unintentional		Continuing pattern of adverse impact

CRA RATING SYSTEM							
PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance
IV. Discrimination and Other Illegal Credit Practices							
(D) Practices to discourage applications for types of credit set forth in CRA Statement							
Solicitation of credit applications from all segments of community	Affirmatively solicits; strong focus on low- and moderate-income areas		Generally solicits from all segments of community		Possibility of isolated, illegal discouraging or prescreening		Rarely, if ever, considers credit applications from all segments of community; volume of applications from low- and moderate-income areas low or nonexistent
Board of directors and senior management development of policies, procedures, and training programs to prevent illegal discouragement and pre-screening of applicants	Effectively assures absence of illegal discouragement or prescreening of applicants		Adequate; minor revision or expansion may be required		Inadequate; requires significant revision or expansion		Nonexistent or needs substantial revision
Adequacy of review and reporting mechanisms to assure nondiscriminatory policies, procedures, and training programs	Regularly assessed		Periodically assessed		Improvement needed		Inadequate and requires substantial revision; or no mechanisms exist
(F) Evidence of prohibited discriminatory or other illegal credit practices							
Compliance with antidiscrimination laws and regulations	In substantial compliance		In compliance with substantive provisions		Not in compliance with substantive provisions		In substantial noncompliance
Violations and corrective action	N/A		Nonsubstantive; promptly corrected		Substantive violations on isolated basis; violations may be repeated from previous exam		Demonstrates pattern or practice of prohibited discrimination or committed large number of substantive violations; violations may be repeated from previous exams
V. Community Development							

CRA RATING SYSTEM

PERFORMANCE CATEGORIES AND ASSESSMENT FACTORS	Outstanding		Satisfactory		Needs to Improve		Substantial Noncompliance	
(H) Participation, including investments, in local development and redevelopment projects and programs								
Awareness of programs	Thoroughly aware		Generally aware		Limited awareness		Unaware of or ignores programs	
Level or frequency of participation in programs	High level of participation, often in leadership role		Periodic participation		Rarely seeks out or participates		Little or no effort made to participate	
(K) Ability to meet community credit needs consistent with institution's characteristics								
Role in development of projects to foster economic revitalization and growth	Leadership role		Generally supports projects		Limited role		Small, if any, role	
Level of contact with government and private sector representatives to identify community development needs and opportunities	Has established good working relationships		Informed others of interest and involved in some aspects of planning or implementation		Rare		Little or none	
(L) Participation in other activities not covered under other performance categories that bear on extent to which institution meets community credit needs	Engages in other meaningful activities		Demonstrates willingness to explore		Demonstrates willingness to consider only when approached		Exhibits little or no interest	

COMMUNITY REINVESTMENT ACT PROFILES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
An institution in this group has an outstanding record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.	An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.	An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.	An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire local community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.
CRA is a demonstrated and important component of the institution's planning process and is explicitly reflected in its formal policies, procedures, and training programs.	CRA is routinely considered in the institution's planning process. The CRA program, including goals, objectives and methodology for self-assessment, is articulated and generally understood by all levels of the institution, but may not be explicitly reflected in its formal policies, procedures, and training program. Employee training for CRA is adequate.	The institution's program for meeting responsibilities under CRA is inadequate; specific, identifiable weaknesses are apparent. The board of directors and senior management provide only limited support to the CRA training of personnel.	CRA responsibilities are rarely, if ever, considered within the institution's planning process or its policies, procedures, or training programs.
The management of the CRA process is thorough and includes comprehensive and readily available documentation of the institution's CRA-related activities.	The management of the CRA process is satisfactory and includes adequate documentation of the institution's CRA-related activities.	The institution does not adequately document or monitor its CRA-related activities.	The institution does not have a viable program for meeting responsibilities under CRA. The institution does not actively monitor its CRA activities. Little or no documentation exists to demonstrate an adequate level of performance.
The board of directors and senior management are highly involved in planning for, implementing, and monitoring the institution's CRA-related performance.	The board of directors and senior management have regular involvement in the institution's CRA planning, implementation, and monitoring process.	The board of directors and senior management have limited involvement in the institution's CRA planning, implementation and monitoring process, if such process exists.	The board of directors and senior management have little, if any, involvement in the institution's CRA planning, implementation and monitoring process.
The institution employs affirmative outreach efforts to determine community credit needs and addresses them through innovative product development.	The institution determines its community credit needs and normally addresses them through appropriate loan product development.	The institution engages in limited affirmative outreach to the community, passively determines credit needs and addresses them primarily with existing standard loan products.	The institution is not generally aware of existing credit needs and may not have appropriate loan products to address them.
The institution is highly involved with a broad spectrum of community organizations and the public sector.	The institution has a satisfactory level of involvement with most community organizations and the public sector.	The institution has limited, if any, involvement with local community organizations and the public sector.	The institution has no meaningful interaction with community organizations and the public sector.

COMMUNITY REINVESTMENT ACT PROFILES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
The institution has played a leadership role in promoting economic revitalization and growth and/or has engaged in other activities to help meet community credit needs.	The institution has played a supportive role in promoting and participating in economic revitalization and growth and/or has demonstrated a willingness to explore other activities which help to meet community credit needs.	The institution has played only a limited role in developing projects to foster economic revitalization and growth, but management may express a willingness to consider participation in other activities which help meet community credit needs if they are presented to the institution.	The institution has not actively promoted community economic revitalization or growth, and it has shown very limited interest in pursuing other activities to address community credit needs.
The institution's marketing aggressively promotes credit services including, when appropriate, special programs which are responsive to the needs of the community and, as a result, the institution has extended loans which significantly benefit the community.	The institution has marketed credit services which address identified community credit needs and has extended loans which benefit its local community.	The institution has limited marketing of credit services responsive to community credit needs, and advertisements are not generally reflective of identified community credit needs.	The institution does not advertise credit services based upon identified community needs.
The CRA Statement correctly lists all of the institution's credit products available throughout its local community.	The CRA Statement correctly lists the majority of the institution's credit products available throughout its local community.	The CRA Statement may not accurately reflect certain credit products that the institution makes available throughout its local community.	The CRA Statement is materially inaccurate with respect to the types of credit the institution is willing to make available throughout its local community.
The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods.	The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods.	The institution's delineated community is unreasonable and may exclude some low- and moderate-income neighborhoods.	The institution's delineated community is unreasonable and excludes low- and moderate-income neighborhoods.
The geographic distribution of the institution's credit extensions, applications, and denials reflect a reasonable penetration of all segments of its local community. Internal monitoring procedures are well documented.	The geographic distribution of the institution's credit extensions, applications, and denials demonstrates a reasonable penetration of all segments of its local community.	The geographic distribution of the institution's credit extensions, applications, and denials demonstrates an unjustified, disproportionate lending pattern, adversely impacting low- and moderate-income neighborhoods within its local community.	The institution's restrictive credit policies contribute to unjustified, disproportionate lending patterns, adversely impacting low- and moderate-income neighborhoods within its local community.
The institution is in substantial compliance with all provisions of the antidiscrimination laws and regulations, including fair lending and fair housing laws.	The institution is in compliance with the substantive provisions of antidiscrimination laws and regulations, including fair lending and fair housing laws.	The institution is not in compliance with the substantive provisions of antidiscrimination laws and regulations, including fair lending and fair housing laws.	The institution is in substantial noncompliance with antidiscrimination laws and regulations, including fair lending and fair housing laws.

COMMUNITY REINVESTMENT ACT PROFILES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
The institution has demonstrated the ability to monitor and assess its own performance, and it presents no supervisory concern in CRA matters.	The institution does not present a supervisory concern in CRA matters. It may, however, benefit from additional encouragement to ascertain and help meet community credit needs, initiate community contacts, or pursue special programs on an ongoing and more aggressive basis.	The institution is of supervisory concern in CRA matters and requires strong encouragement to improve the level of performance.	The institution is of significant supervisory concern in CRA matters and requires the strongest supervisory encouragement to be responsive to community credit needs.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor A – Activities conducted by the institution to ascertain the credit needs of its community, including the extent of its efforts to communicate with members of its community regarding the credit services being provided by the institution.			
The institution has an outstanding record of determining the credit needs of its local community, including low- and moderate-income neighborhoods.	The institution has a satisfactory record of determining the credit needs of its local community, including low- and moderate-income neighborhoods.	The institution needs to improve its contacts within the community to determine the credit needs of its local community, including low- and moderate-income neighborhoods.	The institution does not conduct, or has little involvement in, activities that determine the credit needs of its local community, including low- and moderate-income neighborhoods.
This may take the form of:	This may take the form of:	This is represented by:	This is represented by few, if any, contacts with:
Ongoing, meaningful contacts with a full range of individuals and groups representing civic, religious, neighborhood, minority, and small business organizations, and commercial and residential real estate development	Regular contacts with a large range of individuals and groups representing civic, religious, neighborhood, minority, and small business organizations, and commercial and residential real estate development	Limited contact with individuals and groups representing civic, religious, neighborhood, minority, and small business organizations, and commercial and residential real estate development	Representatives of civic, religious, neighborhood, minority, and small business organizations, and commercial and residential real estate development
Ongoing contact with officials and leaders from city, county, state, and federal governments and active participation in public programs	Regular contact with officials and leaders from city, county, state, and federal governments and some participation in public programs	Limited contact with officials and leaders from city, county, state, and federal governments and marginal effort to participate in public programs	Officials and leaders from city, county, state, and federal governments and the institution makes little or no effort to participate in public programs
Established, productive relationships such as those with private, non-profit developers or financial intermediaries resulting in public/private partnership activities	Regular contact with private, non-profit developers or financial intermediaries that may be used for public/private partnership opportunities	A lack of productive contact with private, non-profit developers or financial intermediaries that may be used for public/private partnership opportunities	Private, non-profit developers or financial intermediaries that may be used for public/private partnership opportunities
The institution regularly collects and analyzes local demographic data in relation to its lending activities.	The institution periodically reviews published, local demographic data in relation to its lending activities.	The institution occasionally considers or analyzes published demographic data in relation to its lending activities.	The institution is unaware of, or ignores, the existence of demographic data and does not use it to analyze its lending activities.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor A – Activities conducted by the institution to ascertain the credit needs of its community, including the extent of its efforts to communicate with members of its community regarding the credit services being provided by the institution.			
The board of directors and senior management maintain a proactive attitude and a high degree of responsiveness in addressing community credit needs through product development, including loans for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The board of directors and senior management satisfactorily respond to local input regarding community credit needs through product development, including loans for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The board of directors and senior management show limited response to outside input regarding community credit needs through product development, including loans for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The board of directors and senior management rarely (or, do not) respond to community credit needs through product development, including loans for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.
Senior management performs systematic and regular reviews of lending services.	Senior management performs informal reviews of lending services.	Senior management infrequently reviews its CRA-related activities or its lending services in response to changing credit needs.	Lending services are rarely (or, are not) reviewed in response to changing credit needs.
The institution offers products well-suited to identified needs, which may include products that make use of government-insured and publicly sponsored programs.	The institution offers products reasonably suited to identified needs, which may include products that make use of government-insured and publicly sponsored programs.	Credit products may not be structured or sufficiently varied to address the identified credit needs of certain segments of the institution's local community, especially in low- and moderate-income neighborhoods. The institution is not a significant participant in government-insured and/or publicly sponsored programs.	Customer input and/or information on credit needs is rarely (or, is not) taken into account in product development, especially from customers in low- and moderate-income areas. There is nominal or no participation in government-insured and/or publicly sponsored programs.
The board of directors and senior management demonstrate willingness to explore and offer conventional products with special features and more flexible lending criteria to make credit more widely available, throughout the institution's local community, within the bounds of safe and sound lending practices.	The institution offers a variety of conventional products and may explore and offer conventional products with special features and more flexible lending criteria to make credit more widely available, throughout its local community, within the bounds of safe and sound lending practices.	Limited efforts have been made to offer a variety of conventional products or explore special features and more flexible lending criteria to make sound credit more widely available throughout the institution's local community.	There is little or no effort made to offer a variety of conventional products or explore special features and more flexible lending criteria to make sound credit more widely available throughout the institution's local community.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor C – The extent of participation by the institution’s board of directors in formulating policies and reviewing the institution’s performance with respect to the purposes of the Community Reinvestment Act.			
CRA is a demonstrated and important component of the board of director’s planning process	CRA is routinely considered in the board of director’s planning process.	CRA is sometimes considered in the board of director’s planning process.	CRA is rarely (or, is not) considered in the board of director’s planning process.
A formal, written CRA program exists with goals, objectives, and methodology for self-assessment.	The institution’s CRA program, including goals, objectives, and methodology for self-assessment, is articulated and generally understood by all levels of the institution, but <i>may not be explicitly reflected in its formal policies, procedures, and training programs.</i>	The institution’s CRA program is inadequate and may lack goals, objectives, and methodology for self-assessment.	The institution does not have an articulated and implemented program for dealing with its responsibilities under CRA.
The board of directors and senior management:	The board of directors and senior management:	The board of directors and senior management:	The board of directors and senior management:
Are an integral part of the CRA process and activities	Are generally involved in the CRA process and activities	Have limited involvement in the CRA process and activities	Have <i>little</i> , if any, involvement in the CRA process and activities
Exercise active policy oversight and conduct regular reviews of CRA activities and performance	Exercise policy oversight and conduct occasional reviews of CRA activities and performance	May exercise some policy oversight but conduct infrequent reviews of CRA activities and performance	Exercise little, if any, policy oversight with respect to CRA and rarely (or, do not) conduct reviews of CRA activities and performance
Ensure that an annual, or more frequent, analysis of the disposition of loan applications is made to ensure that potential borrowers are treated in a fair and nondiscriminatory manner	Ensure that at least an annual analysis of the disposition of loan applications is made to ensure that potential borrowers are treated in a fair and nondiscriminatory manner	Do not ensure that any more than a limited analysis of the disposition of loan applications is made to ensure that potential borrowers are treated in a fair and nondiscriminatory manner	Rarely (or, does not) ensure that an analysis of the disposition of loan applications is made to ensure that potential borrowers are treated in a fair and nondiscriminatory manner
Are personally involved in activities designed to develop, improve and enhance the local community	Have some involvement in activities designed to develop, improve and enhance the local community	Have limited involvement in activities designed to develop, improve and enhance the local community	Have little, if any, involvement in activities designed to develop, improve and enhance the local community

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor C – The extent of participation by the institution’s board of directors in formulating policies and reviewing the institution’s performance with respect to the purposes of the Community Reinvestment Act.			
Consistently support prudent but innovative underwriting criteria that help address community credit needs and that may not fall within the criteria of the institution’s more conventional loan products	Consider prudent but innovative underwriting criteria that help address community credit needs and that may not fall within the criteria of the institution’s more conventional loan products	May be reluctant to consider prudent but innovative underwriting criteria that help address community credit needs and that may not fall within the criteria of the institution’s more conventional loan products	Are reluctant to consider prudent but innovative underwriting criteria that help address community credit needs and that may not fall within the criteria of the institution’s more conventional loan products
Provide active support to the CRA training of personnel	Provide adequate support to the CRA training of personnel	Provide only limited support to the CRA training of personnel	Provide little, if any, support to the CRA training of personnel
Effectively ensure that CRA technical regulatory requirements are consistently met	Generally ensure that CRA technical regulatory requirements are consistently met	May be lax in ensuring that CRA technical regulatory requirements are consistently met	Rarely (or, do not) ensure that CRA technical regulatory requirements are consistently met
Have expanded their CRA Statement describing the institution’s CRA policies and programs, discussing the results of their self-assessment, and summarizing documentation of the institution’s performance.	The institution’s CRA Statement satisfactorily meets the regulatory requirements. The board of directors and senior management have expanded the statement to describe the institution’s CRA policies, programs, and results; however, the material in the expanded statement might not be fully descriptive of the institution’s performance.		

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor B – The extent of the institution’s marketing and special credit-related programs to make members of the community aware of the credit services it offers.			
The institution has implemented sound marketing and advertising programs that are approved, reviewed and monitored by senior management and the board of directors. The programs inform all segments of the institution’s local community of general financial products and services offered, including those that have been developed to address identified community credit needs. Marketing strategies ensure that products and services are responsive to identified community needs. Advertisements are designed to stimulate awareness of credit services throughout the institution’s entire local community, including low-and moderate-income neighborhoods. This includes use of special media aimed at particular segments of the community.	The institution has implemented adequate marketing and advertising programs that function outside the formal oversight of senior management and the board of directors. The programs are designed to inform all segments of the institutions local community of general financial products and services offered and any products that may have been developed to address identified community credit needs. Although advertisements, including those for credit products, are carried in widely circulated local media, additional advertising in media directed toward low- and moderate-income neighborhoods may be needed in order for the advertising program to be effective throughout the institution’s local community.	The institution’s marketing and advertising programs have limited oversight by senior management and the board of directors, and may require revision or expansion to inform all segments of the institution’s local community of general financial products and services offered. Marketing strategies are primarily designed to promote an image of the institution as a provider of general financial products and services or as a provider of only deposit services. Although advertisements are primarily carried in local media, the institution does not advertise in media specifically directed to low- and moderate-income neighborhoods within its local community.	The institution’s marketing and advertising programs, if existent, are inadequate as they do not address credit products directed to all segments of the institution’s local community, including low- and moderate-income neighborhoods.
Complete, readily available marketing and advertising records are maintained and internally reviewed for compliance with applicable laws and regulations.	The institution maintains adequate records of its advertising, and these are occasionally reviewed for effectiveness in all segments of it local community. The institution may have established, but limited, policies and procedures to review proposed marketing campaigns for compliance with applicable laws and regulations.	The institution maintains limited documentation of its advertising. The advertising is infrequently reviewed for compliance with applicable laws and regulations. Marketing campaigns are infrequently reviewed for their effectiveness in informing all segments of the institution’s local community.	The institution does not maintain sufficient documentation of its advertising. The advertising is rarely (or, is not) reviewed for compliance with applicable laws and regulations.
Personnel routinely provide assistance to individuals and groups in understanding and applying for credit.	Personnel generally provide assistance to individuals and groups in understanding and applying for credit.	Personnel make limited effort to assist individuals and groups in understanding and applying for credit.	There is little, if any, effort to assist individuals and groups in understanding and applying for credit.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor I – The institution’s origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business and farm loans within its community; or the purchase of such loans originated in its community.			
The institution has undertaken significant efforts to affirmatively address a substantial portion of the identified community credit needs through the origination and purchase of loans, including those for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The institution has under taken efforts to address a significant portion of the identified community credit needs through the origination and purchase of loans, including those for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The institution is marginally involved in addressing identified community credit needs through origination and purchase of loans, including those for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.	The institution is minimally involved in addressing identified community credit needs through origination and purchase of loans, including those for residential mortgages, housing rehabilitation, home improvement, small businesses, small farms, and rural development.
Lending levels reflect exceptional responsiveness to the most pressing community credit needs. A substantial majority of loans are within the delineated community. Loan volume, in relation to the institution’s resources and the community’s credit needs, exceeds expectations.	Lending levels reflect a general responsiveness to the most pressing community credit needs. A significant volume of loans are within the institution’s delineated community. Loan volume is adequate in relation to the institution’s resources and its community’s credit needs.	Lending levels reflect marginal responsiveness to the most pressing community credit needs. A significant volume of loans may be outside the institution’s delineated community, and/or loan volume may be low in relation to the institutions resources and its community’s credit needs.	Lending levels reflect little, if any, responsiveness to the most pressing community credit needs. A substantial majority of loans are outside the institution’s delineated community, and/or loan volume is excessively low in relation to the institution’s resources and its community’s credit needs.
The CRA Statement correctly lists all of the institution’s credit products available throughout its local community.	The CRA Statement correctly lists the majority of the institution’s credit products available throughout its local community.	The CRA Statement may not accurately list certain credit products that the institution makes available throughout its local community and/or may list some credit products that the institution does not make available.	The CRA Statement is materially inaccurate with respect to the types of credit the institution is willing to make available throughout its local community.
Assessment Factor J – The institution’s participation in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses or small farms.			
When an identified community credit need exists, the institution takes a leadership role in meeting that need and affirmatively participates in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, small farms, and rural development.	When an identified community credit need exists, the institution generally takes some steps to help meet that need and frequently participates in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, small farms, and rural development.	When an identified community credit need exists, the institution sometimes becomes involved in helping to meet that need and infrequently participates in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, small farms, and rural development.	When an identified community credit need exists, the institution rarely (or, never) becomes involved in helping to meet that need or in participating in governmentally-insured, guaranteed, or subsidized loan programs for housing, small businesses, small farms, and rural development.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor – Reasonableness of Delineated Community			
The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods.	The institution's delineated community meets the purpose of the CRA and does not exclude low- and moderate-income neighborhoods.	The institution's delineated community is unreasonable and may exclude some low- and moderate-income neighborhoods. The institution's guidelines for defining its community need revision.	The institution's delineated community is unreasonable and excludes low- and moderate-income neighborhoods. The institution's guidelines for defining its community need substantial revision.
Assessment Factor E – The geographic distribution of the institution's credit extensions, credit applications, and credit denials.			
The institution has a documented analysis demonstrating that the geographic distribution of its credit extensions, applications, and denials reflect a reasonable penetration of all segments of its local community, including low- and moderate-income neighborhoods.	The geographic distribution of the institution's credit extensions, applications, and denials demonstrates a reasonable penetration of all segments of its local community, including low- and moderate-income neighborhoods.	The geographic distribution of the institution's credit extensions, applications, and denials demonstrates an unjustified, disproportionate pattern with respect to the activity inside its delineated community as compared to the activity outside the delineated community and/or with respect to the distribution of loans, applications and denials within the various segments of its community.	The geographic distribution of the institution's credit extensions, applications, and denials does, in fact, indicate unreasonable lending patterns inside and outside its delineated community, particularly in low- and moderate-income neighborhoods. The board of directors and senior management disregard the geographic distribution of the institution's loan products and have taken limited or no corrective action on previously identified unreasonable lending patterns.
The institution has formulated procedures to identify the geographic distribution of its loan products. This information is documented and used by the board of directors and senior management in the establishment of loan policies, products and services, and marketing plans.	The geographic distribution of the institutions' loan products may be used by the board of directors and senior management in the establishment of loan policies, products and services, and marketing plans.	The board of directors and senior management may be unaware of the geographic distribution of the institution's loan products or accord inadequate or no review of lending policies and practices with regard to how they affect lending patterns within their local community. Senior management has not taken adequate corrective action on previously identified unreasonable lending patterns.	Loan policies and procedures contain restrictions which have or can be expected to have a significant adverse impact on loan availability in low- and moderate-income neighborhoods within the institution's local community.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor G – The institution’s record of opening and closing offices and providing services at offices.			
Offices are readily accessible to all segments of the institution’s local community.	Offices are reasonably accessible to all segments of the institution’s local community.	Accessibility to the institution’s offices is difficult for certain segments of its local community.	There is limited accessibility to the institution’s offices for certain segments of its local community, particularly low- and moderate-income neighborhoods.
Business hours and services are tailored toward the convenience and needs of the community and are reviewed for their effectiveness on an ongoing basis.	Periodic review of services and business hours assures accommodation of all segments of the institution’s local community.	Business hours may be inconvenient relative to the needs of the institution’s local community, particularly low- and moderate-income neighborhoods, and they are infrequently reviewed for effectiveness.	Business hours are inconsistent with the needs of the institution’s local community, and they are rarely, if ever, reviewed for effectiveness.
Prior to closing offices, the institution assesses the potential impact on its ability to continue offering an appropriate level of services throughout its local community. This assessment includes the institution’s taking into consideration information and ideas obtained from consultations with members of the community to minimize the adverse impact of an office closing.	The institution makes an adequate assessment of the potential adverse impact of an office closing on its local community. This assessment includes contacts with members of the community for their views on the impact and ways to minimize it.	The institution’s assessment of the potential adverse impact an office closing will have on its local community and of methods needed to minimize that impact is inadequate and needs revision or expansion.	The institution rarely, if ever, makes an assessment of the potential impact of its office opening and closing practices on its local community.
The institution’s record of closing offices has not had an adverse impact on its local community.	The institution’s record of opening and closing offices has not adversely affected the level of services available in low- and moderate-income neighborhoods within its local community.	The institution’s record of opening and closing offices indicates adverse impact upon certain segments of its local community, particularly low- and moderate-income neighborhoods, although the result may be unintentional.	The institution’s record of opening and closing offices suggests a continuing pattern of adverse impact upon certain segments of its local community, particularly low- and moderate-income neighborhoods.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor D – Any practices intended to discourage applications for types of credit set forth in the institution’s CRA Statement(s).			
The institution affirmatively solicits credit applications from all segments of its local community, with a strong focus on low- and moderate-income neighborhoods.	The institution generally solicits credit applications from all segments of its local community, including low- and moderate-income neighborhoods.	Although the institution accepts credit applications from all segments of its local community, available data suggests the possibility of isolated, illegal discouraging or prescreening of applicants.	Available data indicates that the institution rarely, if ever, considers credit applications from all segments of its local community. The volume of application from low- and moderate-income neighborhoods is very low or nonexistent.
The board of directors and senior management have developed complete written policies, procedures, and training programs to assure the institution does not illegally discourage or prescreen applicants.	The board of directors and senior management have developed adequate policies, procedures, and training programs supporting nondiscrimination in lending and credit activities.	The institution’s policies, procedures, and training programs are inadequate and require significant revision or expansion to support nondiscrimination in lending and credit activities.	The institution’s policies, procedures, and programs are either nonexistent or in need of substantial revision to properly support nondiscrimination in lending and credit activities.
The institution regularly assesses the adequacy of implemented, nondiscriminatory policies, procedures and training programs through internal reviews and management reporting mechanisms.	Minor revisions or expansions may be required. The institution periodically assesses the adequacy of implemented, nondiscriminatory policies, procedures and training programs through internal reviews and management reporting mechanisms.	The review and/or reporting mechanisms developed by the board of directors and senior management need improvement to fully assure that the institution does not illegally discourage or prescreen applicants.	The review and/or reporting mechanisms developed by the board of directors and senior management and designed to assess implemented policies, procedures, and training programs to support nondiscrimination in lending and credit activities are inadequate and require substantial revision. Or, the institution has not developed any review or reporting mechanisms to assure that the institution does not illegally discourage or prescreen applicants.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor F – Evidence of prohibited discriminatory or other illegal credit practices.			
The institution is in substantial compliance with all provisions of the anti-discrimination laws and regulations, including: the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and any agency regulations pertaining to nondiscriminatory treatment of credit applicants.	The institution is in compliance with the substantive provisions of anti-discrimination laws and regulations, including: the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and any agency regulations pertaining to nondiscriminatory treatment of credit applicants.	The institution is not in compliance with the substantive provisions of anti-discrimination laws and regulations, including: the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and any agency regulations pertaining to nondiscriminatory treatment of credit applicants.	The institution is in substantial noncompliance with anti-discrimination laws and regulations, including: the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and any agency regulations pertaining to nondiscriminatory treatment of credit applicants.
	Any violations disclosed are nonsubstantive in nature, and corrections are promptly made by senior management.	Substantive violations are noted on an isolated basis. Violations may be repeated from previous examinations.	The institution has demonstrated a pattern or practice of prohibited discrimination, or has committed a large number of substantive violations of the antidiscrimination laws and regulations. Violations may be repeated from previous examinations.

V. COMMUNITY DEVELOPMENT			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor H – The institution's participation, including investments, in local community development and redevelopment projects or programs.			
The institution has maintained, through ongoing efforts, a high level of participation in development and redevelopment programs within its local community, often in a leadership role.	The institution is generally aware of any community development and redevelopment programs within its community, and periodically participates in such programs.	The institution has limited awareness of any community development and redevelopment programs within its local community and rarely seeks them out or participates in them.	The institution is unaware of, or not interested in, the existence and nature of community development programs within its local community. The institution has made little or no effort to participate in these programs.

V. COMMUNITY DEVELOPMENT			
Outstanding	Satisfactory	Needs to Improve	Substantial Noncompliance
Assessment Factor K – The institution’s ability to meet various community credit needs based on its financial condition and size, and legal impediments, local economic conditions and other factors.			
The institution has played a leadership role in developing and/or implementing specific projects promoting economic revitalization and growth, consistent with its size, financial capacity, location, and current local economic conditions.	The institution generally supports the development or implementation of specific projects promoting economic revitalization and growth consistent with its size, financial capacity, location, and current local conditions.	The institution has played only a limited role in developing projects to foster economic revitalization and growth, and has taken limited action to learn or support the specific features of existing programs.	The institution has played a very small, if any, role in developing or implementing specific projects promoting economic revitalization and growth.
Its participation in these projects may have taken, for example, the form of investment, direct loans or loans through intermediaries, financial services, and technical assistance.	Its participation in these projects may have taken, for example, the form of investment, direct loans or loans through intermediaries, financial services, and technical assistance.		
The institution has established good working relationships with government and private sector representatives to identify opportunities for the institution’s involvement in addressing community development needs.	The institution has informed government and private sector representatives of its interest in participating in community development projects, and is already involved in some aspects of planning or implementation.	The institution has rarely contacted government and private sector representatives to discuss community development needs and opportunities.	The institution has made little, if any, effort to contact government or private sector representatives to learn about community development needs or the features of existing programs.
Assessment Factor L – Other factors that, in the regulatory authority’s judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.			
The institution has engaged in other meaningful activities, not covered under other performance categories, which contribute to the institution’s efforts to help meet community credit needs.	The institution has demonstrated a willingness to explore other activities contributing to its efforts to help meet community credit needs which are not covered in other performance categories.	The institution expresses a willingness to consider participation in other activities designed to meet community credit needs only when specific proposals or requests are brought to its attention.	Senior management has shown little, if any, interest in pursuing other activities, not covered under other performance categories, which would enhance the institution’s effectiveness in helping address community credit needs.